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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600 29 March 1966

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State Dept. review completed



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HIGHLIGHTS

Small-scale antigovernment demonstrations in South Vietnam continue today. Communist military forces hit a government battalion in northeastern Quang Nhai and heavy fighting is reported still in progress in the attack area. In Cambodia, Sihanouk has publicly admitted the existence of traffic in rice between Cambodia and the Viet Cong.

- The Military Situation in South Vietnam: Heavy fighting occurred yesterday in northeast Quang Ngai Province when multibattalion ARVN/USMC reaction forces responded to an attack by an estimated two Viet Cong battalions against government troops near the provincial capital (Para. 1). ARVN Operation LAM SON 250 continues to encounter sharp resistance from heavily entrenched battalion-strength Viet Cong forces northwest of Quang Tri city US Marines have terminated search-and-(Para. 2). destroy/pacification Operation KINGS, 12 miles south of Da Nang; follow-up Operation ALABAMA has been launched in the same general area. (Para. 3). US 1st Air Cavalry Division task force elements have terminated Operation JIM BOWIE after 16 days in Binh Dinh Province (Para. 4). Operation CIRCLE PINES was initiated yesterday 22 miles northwest of Saigon by three battalions of the US 25th Infantry Division (Para. 5). B-52 strikes were conducted yesterday against Communist target complexes in Quang Nam Province and along the Quang Nam -Laos border area (Para. 6). An estimated two Viet Cong battalions have reportedly deployed from the Cambodian border to Pleiku Province in preparation for attacks on the Vietnamese Special Forces camps at Duc Co and Plei Me during the forthcoming rainy season (Para. 7).
- II. Political Developments in South Vietnam: Premier Ky today outlined for a small group of reporters his plans to try to restore control over I Corps, first by persuasion and then by "strong measures" if necessary (Paras. 1-2). The Hue radio

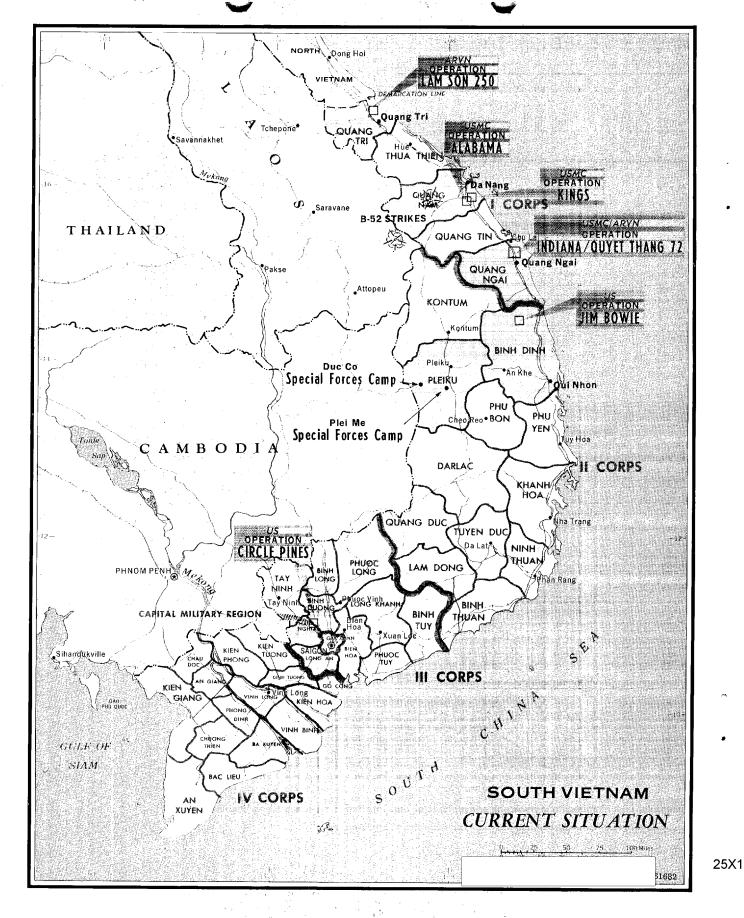
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today broadcast a resolution by Buddhist army chaplains in I Corps threatening to call on Buddhist troops to "act" if the government resorts to harsh measures against participants in the struggle movement (Para. 3). Hue and Da Nang were outwardly calm again today, but there were antigovernment student rallies in Dalat and Nha Trang, both in II Corps, and a small student protest meeting in Saigon (Para 4). A communique issued by the semiofficial Catholic "liaison bureau" in Saigon, urging the government to hasten democratic institutions and the populace to avoid disturbances, appears to reflect a growing Catholic belief that the Ky government will not survive the current crisis (Paras. 5-6).

- III. Military Developments in North Vietnam: There is nothing of significance to report.
- IV. Other Communist Military Developments: There is nothing of significance to report.
- V. Communist Political Developments: Hanoi today issued its first substantive comment on the Soviet party congress, a carefully balanced editorial in Nhan Dan that gave equal play to Soviet and Chinese help in the Vietnamese war effort (Para. 1).
- VI. Other Major Aspects: Cambodia's Sihanouk has stated his willingness to allow the hospitalization of wounded Viet Cong on Cambodian territory; he has also admitted to the present traffic in rice between Cambodia and the Viet Cong (Paras. 1-4).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. Yesterday in response to a Communist attack, possibly by two battalions of the 1st Viet Cong Regiment, against an ARVN battalion five miles north of Quang Ngai city, reaction-pursuit Operation INDIANA/QUYET THANG 72 was launched later in the day by two reinforced ARVN battalions supported by one USMC battalion. after-their helilifted assault into the operational sweep area, US Marines established contact with an unknown number of Viet Cong, killing 40 (US body count) while sustaining losses of 15 killed and 38 wounded. The ARVN portion of the operation--QUYET THANG 72--terminated after 14 hours with cumulative friendly casualties, including those sustained in the initial enemy attack, of 11 killed and 36 wounded, in contrast to Viet Cong losses of 17 killed. USMC forces are continuing INDIANA but with no additional contact reported at the present time.
- 2. Battalion-strength Viet Cong forces in heavily entrenched defensive positions northwest of Quang Tricity, the capital of South Vietnam's northernmost province, have offered determined resistance thus far to Operation LAM SON 250, a three-battalion ARVN ground sweep initiated on 27 March. To date, 27 government troops have been killed, 92 wounded, and four armored personnel carriers damaged, in contrast to enemy losses of 35 killed, four captured, and 23 weapons seized.
- 3. Search-and-destroy/rural reconstruction Operation KINGS by two USMC battalions approximately 12 miles south of Da Nang has been terminated after eight days. Viet Cong losses were placed at 58 killed (US body count), one captured, and 45 suspects apprehended, as against marine casualties of five killed and 50 wounded. In a follow-up to KINGS, one USMC battalion yesterday launched Operation ALABAMA in the same general sweep area. No contact has thus far been reported.

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- 4. Two battalions of the US 1st Air Cavalry Division have terminated Operation JIM BOWIE, a search-and-destroy ground sweep conducted during 12-28 March in Binh Dinh Province, 50 miles north-west of Qui Nhon. Twenty-seven Viet Cong were killed (US body count), seven captured, and eight suspects detained, in contrast to American casualties of one killed and 120 wounded.
- 5. Operation CIRCLE PINES, a scheduled nine-day search-and-destroy mission by three battalions of the US 25th Infantry Division, was initiated yesterday in the Hau Nghia Binh Duong province border area 22 miles northwest of Saigon. Initial light contact has thus far resulted in five Viet Cong killed, one captured, and 32 suspects apprehended. One US infantryman has been wounded.
- 6. USAF B-52 Stratofortresses last night conducted saturation bombing missions against Communist target complexes in South Vietnam and along the Vietnam-Laosaborder. In the first strike, three B-52s struck a Viet Cong training camp and base area 17 miles west of Da Nang. The second strike involved an attack by 12 B-52s against a Viet Cong/PAVN staging and infiltration base 72 miles southwest of Da Nang and one mile inside the Laotian border. No ground follow-up operations were scheduled.

Viet Cong Activity

7. An estimated force of two Viet Cong battalions has reportedly deployed from the Cambodian border to the vicinity of Duc Co Special Forces camp in Pleiku Province, to support or reinforce other elements in the area that plan to attack the camp. Previous reports have indicated that the 32nd, 33rd, and 66th PAVN regiments plan to attack the Duc Co and Plei Me Special Forces camps during the southwest monsoons which begin in April; the two battalions may have been given a supporting role in the operations.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- 1. Premier Ky held a breakfast this morning for a selected group of foreign newsmen to whom he outlined present government thinking about handling Buddhist agitation in I Corps. Ky said that the government intended to move deliberately to restore its authority in the corps area, first by using propaganda resources to present its case, and then by "strong measures" if necessary. Ky said that he was continuing to negotiate with Buddhist leaders, and had had a cordial meeting the previous evening with five monks including Tam Chau and Thien Minh, a Tri Quang follower.
- 2. Ky also told the reporters that the government would "soon" establish a council, drawn from the elected provincial and municipal councils and from the religious sects, to draft a constitution. He said he hoped that elections for a national assembly could be held early in 1967, some five or six months sooner than originally promised. Off the record, he discussed an apparent split in the Buddhist movement between those seriously interested in negotiations and those—referring to Tri Quang's group—determined to push the government to the limit. In response to a question, Ky told the newsmen that there was Communist infiltration in the present "struggle movement."
- 3. The municipal radio in Hue today broadcast a resolution by "representatives of the Buddhist chaplains in I Corps." It was signed by Thich Don Hau, sometimes described as the leading monk in Hue and a mentor of the more nationally prominent Tri Quang. The statement accused the "Thieu ëlique" in Saigon of disregarding "national sovereignty and the aspirations of the people" by refusing to organize elections for a constituent

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assembly, thus suggesting that the militant Buddhists of I Corps do not accept Premier Ky's compromise proposal for a partially representative council. The resolution also indirectly warned the military Directorate not to take "reprisals" against military personnel or students participating in the "struggle," or to carry out economic sanctions, as allegedly implied by Ky in his weekend speech. The resolution stated that, if the government took such steps or if "Americans in Vietnam continue their provocations," Buddhist chaplains in I Corps would be "obliged to call on Buddhist military men to take a firm attitude and act."

- The cities of Hue and Da Nang were superficially quiet again today, although there are reports that a transportation strike has been called for tomorrow in Hue. In Saigon, an antigovernment meeting was held by some 150 students in a technical school, and there are rumors of other school demonstrations planned later this Two towns in II Corps were reportedly affected by antigovernment protests today. Dalat, 500 students reportedly held a rally criticizing the government and the US for infringing on Vietnamese sovereignty. In Nha Trang, 400 students staged a march with the same propaganda themes. There were earlier student demonstrations in Nha Trang on 16 and 25 March.
- 5. The press carries excerpts from a communiqué apparently issued today by the "liaison bureau" of the Catholic archdiocese of Saigon. The statement, generally moderate in character, noted that the government had shown "good will" in promising to establish a democratic regime, but that "unfortunately," its promises were not being carried out early enough. The communiqué expressed hope that the government would "in due course," take appropriate steps to satisfy popular aspirations, but urged the population not to disturb the stability of the country.

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According to the US Embassy, the liaison bureau had initially planned to issue a statement calling for immediate elections and a rapid transition to civilian rule, but was persuaded to tone down its appeal and to emphasize the need for stability against political agitation. The embassy understands that the militant priest, Father Quynh, may also issue a clarification of his weekend attack on the government, toning down his The embassy believes that both of criticisms. these Catholic statements are symptomatic of fear among the Catholics that the Ky government may not survive the present Buddhist attacks on Although many Catholics probably are not now prepared to abandon the government, there are evidently a growing number who feel that if the Ky regime is doomed, it is preferable not to be associated with it and not to allow the Buddhists a free hand regarding its successor.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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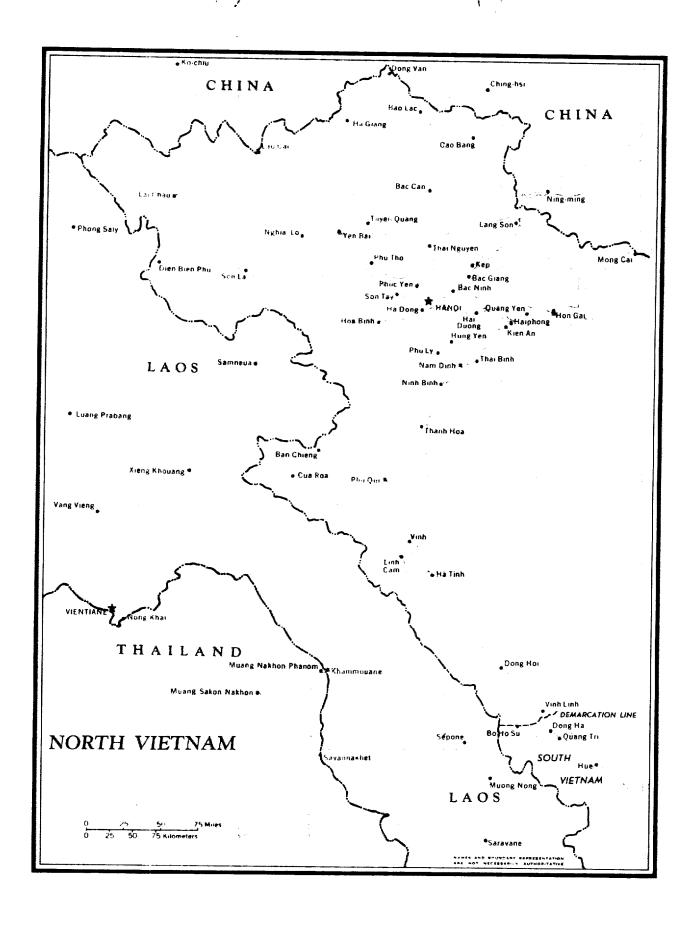
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| IV. | OTHER | COMMUNIST | MILITARY | DEVELOPMENTS |
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1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

Hanoi broadcast its first substantive commentary on the Soviet party congress today. An editorial in the party daily, Nhan Dan, hailed the meeting as an "important event" in the political life of the Russian people. Although the editorial went on to congratulate the Soviets for their economic and technological successes, it was on the whole rather cautious in its praise of Moscow, and it appeared that the DRV was still carefully attempting to stay in the middle between Peking and the Soviets. Relations between the Hanoi party and the CPSU were characterized in vague fashion only as "the kind of fraternal relations which prevail in the socialist camp." It is probable that the speeches of the Vietnamese delegates in Moscow will also be balanced along the lines of the editorial, which carefully noted the equally important contributions of Peking and Moscow to the Vietnamese war effort.

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VI. OTHER MAJOR ASPECTS

- 1. the problem of Viet Cong use of Cambodian territory was discussed by Prince Sihanouk at a public cabinet meeting in Phnom Penh last week. The issue arose in the course of a discussion dealing with the settlement of Cambodians in border regions, a program Sihanouk has been pushing for ten years and that he views as the only answer to the historical encroachment of Vietnamese on Cambodian territory.
- Sihanouk said that he had recently received a report indicating that the Vietnamese were building villages on Cambodian territory and that the Viet Cong were evacuating their wounded to these areas. Stressing that he did not want these areas to become dominated by Vietnamese in the same way that the Vietnamese came to control Cochin China, Sihanouk claimed that he told the Viet Cong that they would not be authorized to set up hospitals or dispensaries in Cambodia. By way of compensation, Sihanouk said he offered to allow the Viet Cong to present their wounded to Cambodian authorities for treatment in Cambodian hospitals and to return to Vietnam after: their health had been restored. Sihanouk went on to justify such assistance on humanitarian grounds as well as on the more practical consideration that the alternative would be a greater Vietnamese presence in Cambodia.
- 3. In another public statement dealing with the Cambodian rice situation, Sihanouk said that Cambodia had met a Viet Cong request for rice by "closing our eyes." He said that this decision was justified because Cambodia and the Viet Cong shared a common enemy in "US imperialism."
- 4. This is the clearest indication to date that an apparent upswing in rice smuggling to the Viet Cong is being sanctioned in Phnom Penh. It would represent a change in policy since late last year when Sihanouk ordered measures to prevent the

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